

**MINUTES
PUBLIC SESSION
BOARD OF DIRECTORS
CORPORATION FOR PUBLIC BROADCASTING
WASHINGTON, D.C.
Monday, March 18 – Tuesday, March 19, 2019**

Call to Order

Acting Chair Cahill called to order the public session of the Board of Directors at 1:31 pm Eastern Time. The following directors participated:

Bruce Ramer, Chair;
Patty Cahill, Vice Chair and Acting Chair for part of the meeting;
Ruby Calvert;
Judith Davenport;
Miriam Hellreich;
Robert Mandell;
Laura G. Ross; and
Liz Sembler.

The following officers and staff were also in attendance:

Patricia Harrison, President and Chief Executive Officer;
Steve Altman, Executive Vice President and Chief Policy and Business Affairs Officer;
Michael Levy, Executive Vice President and Chief Operating Officer;
Teresa Safon, Chief of Staff and Corporate Secretary;
West Smithers, Senior Vice President and General Counsel;
Bill Tayman, Chief Financial Officer and Treasurer;
Anne Brachman, Senior Vice President, Government Affairs;
Tish King, Senior Vice President, Communications;
Ted Krichels, Senior Vice President, System Development and Media Strategy;
Kathy Merritt, Senior Vice President, Journalism and Radio;
Maja Mrkoci, Chief Content and Innovation Officer;
Deb Sanchez, Senior Vice President, Education and Children's Content Operations;
Mary Mitchelson, Inspector General; and
Camille Morgan, Operations Coordinator.

The following guests were also in attendance:

John Bridgeland, CEO, Civic; and
Matt Atwell, Civic.

Adoption of Agenda and Determination of Closed Status

Chair Cahill called for a motion to adopt the meeting agenda and close the meeting for agenda items 10 through 14. Upon motion duly made and seconded, the agenda was adopted as presented.

Invitation to Disclose Conflicts of Interest

In accordance with the CPB Code of Ethics for Directors, Chair Cahill invited directors to disclose possible conflicts of interests regarding the meeting agenda. There were none.

Approval of Minutes

Chair Cahill called for a motion to approve the minutes of the public session of December 3, 2018. Upon motion duly made and seconded, the minutes were approved as presented.

Chair Cahill reported that the Board passed three resolutions through unanimous written consent: 1) the authorization for management to engage a contractor for the reconstruction of CPB to reduce office space and relocate offices; 2) the acceptance of CPB's audited financial statements for FY 2018; and 3) the authorization for CPB management to submit an amended budget request to Congress.

Chair's and Directors' Remarks

Chair Cahill welcomed new members Miriam Hellreich and Robert Mandell to the CPB Board of Directors and returning member Bruce Ramer. Chair Cahill thanked CPB management and staff for their work in preparing the meeting materials.

Chair Cahill reported that Inspector General Mary Mitchelson will retire effective April 26 and thanked her for her service to CPB and public media.

Resolution of Condolence for Gary Shivers

Chair Cahill presented a resolution of condolence for the family and friends of public broadcasting director and general manager Gary Shivers. Mr. Shivers held positions at KANU, WUNC-FM, KMUW and hosted the public radio show "Gary Shivers on Jazz." Mr. Shivers also served on the NPR Board of Directors and as president of both the Public Radio Research Consortium as well as the Southern Educational Communications Association for Public Radio.

Chair Cahill called for a motion to approve the resolution of condolence. Upon motion duly made and seconded, the resolution was unanimously approved.

Resolution re Calendar Year 2019 Board Meeting Dates and Locations

Ms. Safon noted that the June board meeting posed a conflict for a board member and proposed revisions to the meeting schedule, including cancelling the June board meeting in favor of scheduling one in May, canceling April's telephonic meeting, and adding a telephonic meeting in August.

Following discussion, the following dates and locations for meetings for the remainder of 2019 were agreed upon:

- March 18-19 (Washington, D.C.)
- May 29 (Nashville, Tennessee)
- August 22 at 3 pm Eastern Time (Telephonic)
- September 23-24 (Washington, D.C.)
- December 9-10 (Phoenix, Arizona)

Upon motion duly made, seconded, the schedule was unanimously adopted as amended.

Election of Board Chair

Chair Cahill noted that Mr. Ramer was elected chairman in October 2018 but due to the unanticipated length of the confirmation process, his membership on the Board was interrupted and consequently his term as chairman. On advice of counsel, the election of the board chair is on the agenda. Chair Cahill called for a motion to forgo the standard election process and re-elect through general acclamation Mr. Ramer as board chair. Upon motion duly made, seconded, and carried, the Board unanimously elected Mr. Ramer to serve as board chair, effectively immediately.

Chair Ramer thanked the Board for his re-election and expressed his appreciation for Vice Chair Cahill's service and leadership as acting chair in his absence.

President's Report

Ms. Harrison reported that the Audit and Finance Committee met telephonically on February 12, 2019, to review the audited financial statements, and that CPB received a clean audit. Ms. Harrison thanked Committee Chair Sembler for her leadership and professionalism.

Ms. Harrison reported that the Administration has released its budget, which proposes only \$30 million for FY 2020 and FY 2021 as closeout costs for CPB and an end to subsequent funding. This is the first step in the appropriation process, and CPB will continue to work with Congress as they consider CPB's budget justification and appropriation requests. CPB has strong bipartisan support on the Hill, and members of Congress also appreciate the work of their local stations.

Ms. Harrison reported on CPB's leadership in system meetings and events. CPB's Public Media Thought Leader Forum, convened in partnership with NETA's annual meeting, took place in Salt Lake City, Utah, in January 2019, and thanked Ms. Sembler for her attendance at the meeting. CPB also presented at the APTS Public Media Summit in Washington, D.C. in February and will have a significant presence at several upcoming public media events, including PBS TechCon, the PBS Annual Meeting and the Public Media Development and Marketing Conference (PMDMC).

Ms. Harrison reported on CPB's collaboration with PBS and general managers who lead rural stations on CPB's "Coming Home" initiative, which will support content, engagement and reporting that highlights local issues in rural areas as told through local voices. CPB will announce plans related to this initiative at the PBS Annual Meeting in May 2019.

Ms. Sembler commended CPB for its work at the Public Media Thought Leader Forum. Ms. Calvert asked about the timeline for CPB's public safety assessment. Mr. Levy reported that work has begun and that CPB has identified an expert to conduct the assessment.

Legislative Update

Ms. Brachman reported that the Office of Management and Budget (OMB) submitted the President's FY 2020 budget to Congress for consideration. This action marks the beginning of the congressional appropriations cycle. CPB will deliver its budget justification to the House and Senate Appropriations Committees for their consideration on March 18, 2019.

Ms. Brachman reported that the recent two-year budget agreement ended in 2018, and the House and Senate will need to renegotiate a new deal in order to prevent a 10 percent cut to discretionary spending. The new agreement is expected by Fall 2019. House and Senate

appropriators will determine whether to use the FY 2019 budget caps to draft the FY 2020 appropriations bill.

Ms. Brachman reported that public media continues to receive bipartisan support in Congress. APTS, PBS and NPR are working together to encourage Members of Congress to sign a letter to Appropriations Committee leadership in support of CPB's funding request. CPB will testify to the Appropriations Committee on how a \$495 million appropriation would be stewarded in support of America's public media system. CPB's testimony will focus on Ready To Learn, American Graduate: Getting to Work, public safety, journalism, veterans and the work of local stations in addressing the opioid epidemic.

Ms. Brachman reported that CPB is engaging with the newly elected members of Congress and their staff, as well as the newly appointed Appropriations Committee members, and providing them with information about CPB and public media.

Audit and Finance Committee Chair Report

Ms. Sembler reported the Audit and Finance Committee held a telephonic meeting on February 12, 2019. The Committee reviewed the FY 2018 audited financial statements and recommended the Board accept them, which it did through unanimous written consent.

Ms. Sembler reported that the Committee also received updates on CPB's financial statements through December 31, 2018, CPB's investment policy and its performance in FY 2018, the OIG's work, and reviewed the Board's expense guidelines with no changes proposed. Ms. Sembler thanked Ms. Mitchelson for her service to CPB. In executive session, the committee discussed audit services for FY 2019.

Community Service Grant (CSG) Review Update

Mr. Altman reported that CPB's Community Service Grants (CSGs) are distributed to stations based on both statutory and policy-based formulas, which are subject to periodic consultations with stations.

Mr. Altman reported that CPB has begun a review of both the television and radio CSG programs and convened panels of station representatives as part of the station consultations. Any policy changes CPB management elects to recommend as a result of these consultations will be subject to approval by the Board.

Mr. Krichels and Ms. Merritt provided an overview of the CSG programs. Mr. Krichels reported that the CSG program was established in the 1967 Public Broadcasting Act, which mandates how the appropriation is allocated. CSGs comprise approximately 70 percent of CPB's total funds. Ms. Merritt reported that the appropriation for FY 2019 is \$445 million, of which no more than five percent is allocated to operations and no less than six percent is allocated to system support, and the remaining 89 percent of funding is split between radio and TV: TV receives 75 percent of the funds, and radio receives 25 percent. TV CSG funds total more than \$222 million, and Radio CSG funds are about \$92 million. All CSG funds are allocated by formula, and CSG grant recipients – the stations – determine how the funds best serve their local audiences.

Mr. Krichels reported on the distribution of TV and radio CSG programs across three formulaic grant elements: 1) a base grant to provide each grantee a fixed amount; 2) supplemental grants to provide for the financial needs and requirements of grantees to serve their communities

and audiences; and 3) an incentive grant to maintain existing and stimulate new sources of Non-Federal Financial Support (NFFS). CPB is required to conduct a periodic review of its CSG policies, including a system consultation. CPB's current consultation with the system is conducted with review panels for TV and radio that reflect all grantee types. CPB identified three issues to examine for the TV and radio CSG policy reviews: 1) the effectiveness of the incentive grants; 2) the minimum NFFS requirement; and 3) indirect administration support (IAS) reported as NFFS by stations licensed to institutions.

Mr. Krichels reported that some TV grantees increased their NFFS over the past five years, with large market grantees having the biggest increases. The 100 smaller grantees saw a decline in NFFS. As a result, incentive funds are increasingly going to the largest grantees. CPB and the TV CSG review panel agreed that this distribution of the incentive funds is problematic. CPB is collecting additional socio-economic and demographic data that may impact a grantee's ability to raise NFFS and will present it at the next panel meetings in April 2019. Ms. Merritt reported similar NFFS trends for radio over the past five years.

Mr. Krichels reported that the minimum NFFS eligibility requirement is a key factor for station financial health. CPB is reviewing the issue as some stations cannot meet this requirement, and some TV grantees provide the only public television service to their community. Ms. Merritt reported that many radio grantees unable to meet the minimum NFFS are rural or minority. The challenge is how to enforce eligibility requirements and maintain a diverse service accessible to all.

Ms. Merritt reported that IAS is the value of facilities, administrative costs and occupancy support provided to a station by its institutional licensee whose primary business is not public broadcasting, such as colleges and universities. IAS is acknowledged as NFFS, and nearly half of all grantees report IAS, but calculations of IAS have proven difficult, resulting in CSG overpayments. CPB is convening a subcommittee to examine IAS and ways to clarify it.

Ms. Merritt reported on the 2019 CSG review process timeline and said that any new policies adopted will become effective in FY 2021.

Ms. Sembler requested a list of the station representatives on the CSG panels. Ms. Ross asked about the NFFS formula and how incentive grants are calculated, and discussion ensued about NFFS calculations. Ms. Sembler asked about the panel recommendations. Mr. Krichels reported that the first meeting's goal was to identify issues, and subsequent meetings will focus on addressing those issues and developing specific recommendations.

Ms. Calvert asked about giving stations credit for their other revenue. Mr. Krichels reported that the statute does not allow earned income to be counted, but other revenue sources that provide sustainability for stations are considered. Chair Ramer noted that the \$800,000 threshold is not statutory and asked if it can be decreased. Ms. Merritt reported that the CSG panels are examining the NFFS minimums as a part of the review process. Chair Ramer asked if CPB can consider inflation, which differentiates between markets, to determine trends as well as the impact of federal, state and local taxes. Mr. Krichels stated that socio-economic factors in correlation with income revenues for stations will be part of the analysis.

Chair Ramer called for a break at 3:10 pm Eastern Time.

Public Session resumed at 3:22 pm Eastern Time.

Update on Education

Ms. Sanchez reported on the Ready To Learn (RTL) initiative's history and the RTL priorities of the U.S. Department of Education. Ms. Sanchez reported on the RTL program's five-year cycles, noting the current five-year grant will end next year. The U.S. Department of Education is expected to issue a Request for Proposals for the next five-year grant in early 2020.

Ms. Sanchez reported on CPB's support to WGBH to produce *Molly of Denali* and include Alaska Native voices in all aspects of the production. *Molly of Denali* will premiere in July on PBS. Ms. Sanchez also reported on other CPB-supported children's programming.

Ms. Sanchez reported on PBS LearningMedia, a digital media service that provides content resources related to science, history, math and other subjects. The content is created by series like *NOVA*, *American Experience*, and *Nature* through local stations. CPB provides support to PBS LearningMedia for content, functionality and research on the content's impact on learning.

Ms. Sanchez reported on CPB's collaboration with NETA to develop the Thought Leader Forum as a platform to discuss the future of public media's local education services and help the system navigate trends and innovate. The first forum was in Washington, D.C., in January 2018 and the second in January 2019, in Salt Lake City, Utah. Utah Lieutenant Governor Spencer Cox, on behalf of the Governor, declared the week of January 21, 2019, to be Public Broadcasting Week in Utah.

Ms. Sanchez reported on the American Graduate: Getting to Work initiative and its early focus on addressing the high school dropout rate. In 2010, John Bridgeland, CEO of Civic, in partnership with America's Promise Alliance and Johns Hopkins University, released "Building a Grad Nation," which identified 1,600 high schools in the U.S. that were contributing to more than 50 percent of the US high school dropout numbers. This study informed American Graduate: Let's Make It Happen.

Ms. Sanchez reported on the American Graduate's present focus on workforce issues. Chair Ramer asked about the implications of encouraging entering the workforce immediately following high school graduation instead of enrolling in college. Ms. Harrison reported that American Graduate: Getting to Work provides information about alternative education and career pathways for those who do not wish to enroll in college. Ms. Sembler noted that a program that discusses opportunities for careers is a valuable resource for those who may not know how to gain work experience.

Ms. Sanchez introduced Mr. Bridgeland, whose research and counsel helped shape the American Graduate initiative. Mr. Bridgeland served as the director of the White House Domestic Policy Council for President George W. Bush, was appointed by President Barack Obama to the White House Council for Community Solutions and is co-chair of the Aspen Institute on the Future of Work.

Mr. Bridgeland reported on the improvement of postsecondary transitions and an increase in graduation rates with a record high of 84.6 percent in 2017, which is more than 3 million more students graduating from high school. Studies show the average total government savings for each additional high school graduate is \$119,140, so an additional 3 million graduates is nearly \$360 billion in government savings.

Mr. Bridgeland reported on methods that encourage graduation: early warning systems; integrated social, emotional and academic development; career academies; dual enrollment; early college high school; and multiple pathways to work.

Mr. Bridgeland reported on American Graduate's footprint in the dropout crisis. More than 88.9 percent of American Graduate communities saw increases in high school graduation rates from 2011 to 2017. Over the past five years, CPB has invested in local communities through 125 public media stations in 49 states to address the high school dropout challenge and issues affecting student success. Communities where public media stations provided American Graduate content and engagement saw an average gain of 9.7 percentage points compared with the national average of 5.5 percentage points.

Mr. Bridgeland reported on the difficulty for students to connect their goals to career pathways. Discussion ensued regarding the remaining work to reduce dropout rates further as 1,300 low-performing high schools remain and 600,000 students fail to graduate each year.

Adjournment

By common consent, the meeting adjourned for the day at 4:30 pm Eastern Time.

Public Session

Public session resumed on Tuesday, March 19, 2019, at 9:05 am Eastern Time.

Update on Journalism

Ms. Merritt reported on the areas of focus of CPB's investments in journalism: 1) local editorial capacity; 2) collaboration; 3) national producers; and 4) editorial integrity.

Ms. Merritt reported on strengthened local editorial capacity, noting that CPB has invested more than \$35 million to launch 35 local and regional news collaborations and address news deserts throughout the country. Public media's effective coverage of the opioid crisis is another example. National collaborations include NPR and FRONTLINE with content across multiple platforms. Ms. Merritt reported on specific CPB investments, noting that the CPB-supported series FRONTLINE, in recognition of its broadcast and digital platforms including its podcast, *The Frontline Dispatch*, received the duPont-Columbia Award's Gold Baton, an award that is rarely presented and only to the most outstanding journalism work.

Ms. Merritt reported that the upcoming launch of the PBS NewsHour Western Bureau will provide more coverage of regional issues, increased digital content, and collaboration with stations to develop new talent. The Bureau will be located at Arizona PBS at Arizona State University (ASU). CPB supported the Bureau through a \$750,000 grant to address the need for a refreshed news product for the West Coast where more than 20 percent of NewsHour's audience resides.

Ms. Merritt reported that ASU's Walter Cronkite School of Journalism is the site of the CPB-funded two-year Editorial Integrity and Leadership Initiative. In August 2018, the CPB Board approved a \$1.1 million grant to ASU to train 100 journalists in editorial ethics and integrity and in newsroom leadership skills. The initiative will help build a pipeline of highly qualified editors across public media. The first program fellows will begin in April 2019.

Ms. Sembler asked about the curriculum for ASU's Walter Cronkite School. Ms. Merritt reported that CPB is working closely with the school to develop an interactive curriculum around editorial integrity, leadership, ethics and management skills. Ms. Calvert suggested that the

program record a video statement of what the fellows are interested in learning and a video statement about what they learned after the program concludes. Ms. Merritt said she would relay the suggestion to the program administrators and reported that a questionnaire at the end of the program will be delivered to the fellows to report curriculum's success.

Mr. Mandell asked about the fellow selection process. Ms. Merritt reported that the first 50 fellows were selected based on letters of reference, resumes, and answers to essay questions. Ms. Merritt reported that the fellows represent both TV and radio stations as well as diverse geographic distribution.

Ms. Merritt reported on CPB's future investments in journalism, which will include support for coverage of the 2020 elections and the establishment of a Gulf Coast RJC.

Update on Public Safety

Mr. Krichels reported on the history of public media's public safety and emergency alert services. The Emergency Alert System (EAS) requires mandatory participation from all TV and radio broadcasters and cable and satellite systems. EAS allows local authorities to deliver important information including AMBER alerts, emergency weather information and Presidential addresses in national emergencies. There is also a Wireless Emergency Alert (WEA) system – a voluntary public safety system operated by the cellular phone companies. This system allows for notifications to subscribers of imminent threat to life or property.

Mr. Krichels reported that WEA was established by the Warning, Alert, and Response Network Act (WARN) launched in 2012. PBS received a grant from the U.S. Department of Commerce in 2010 to establish a backup path for WEA messages known as PBS WARN. As a result, every public TV station in the country is required to use their broadcast signal to send EAS messages from the federal government. The PBS WARN system relies on the PBS Interconnection system and must always be operational.

Mr. Krichels reported that CPB supports public media entities in their effort to serve local communities with public safety solutions. CPB is engaging outside expertise to assess the public safety services provided by both public and commercial media and wireless and internet providers across the U.S. and recommend opportunities for public media to enhance its emergency services.

Ms. Merritt reported on public radio's emergency alerts and its expansion to digital platforms with text and visual capabilities. Ms. Merritt reported on the \$66,000 CPB grant for a pilot project in 2016 with NPR and Public Radio Satellite System (PRSS) to test the software and hardware installation that enables digital alerts. The pilot was part of the successful Great California Shakeout earthquake preparedness drill.

Ms. Merritt reported on CPB support to 27 stations to provide emergency alerting in states that are part of Tornado Alley. CPB plans to expand emergency digital alerting to enable stations along the Gulf Coast to provide messaging to their regions. Over 74 individual stations and networks will be upgraded to the data delivery system to increase their ability to issue weather alerts on digital devices.

Update on Emergency Alert Services

Chair Ramer introduced Randy Wright, executive director of the University of Florida Division of Media Properties and WUFT-FM of the Florida Public Radio Emergency Network

(FPREN) and Jeff Huffman, director of FPREN and South Carolina Emergency Network and Chief Meteorologist of UF Weather. Chair Ramer reported that FPREN received the Public Information Award at the 2018 Governor's Hurricane Conference in Florida.

Mr. Wright reported that WUFT founded FPREN, a multi-platform tool comprising 13 public radio stations that cover Florida with free, over-the-air (OTA) broadcasting. FPREN's goals is to enhance each local station's ability to connect with their listeners on every media platform in their markets and across the country. Mr. Wright reported that the FPREN storm center was the only media lifeline on the air in the Panama City region during Hurricane Michael in 2018 and reported on its work during Hurricane Irma in 2017. FPREN builds on Florida's hurricane evacuation route signs through mobile technology, such as the Florida Storms app that enhances OTA broadcasts, digital and social media products.

Mr. Huffman reported on the social media effort, Hurricane Strong, to prepare communities and stations for natural disasters. FPREN's model was the basis of the South Carolina Emergency Information Network (SCEIN), which was launched a week prior to Hurricane Florence, providing the community with access to vital real-time information available in an emergency.

Community Lifeline Award presented to WUFT and the Florida Public Radio Emergency Network (FPREN)

Chair Ramer reported that CPB created the Community Lifeline Award in 2012 to recognize public media stations that provide exemplary service to their communities during local emergencies and other urgent situations. Chair Ramer, Ms. Sembler and Mr. Mandell presented CPB's Community Lifeline to Mr. Wright and Mr. Huffman for WUFT's leadership in providing lifesaving information across Florida as well as North and South Carolina and FPREN's exemplification of the spirit of public service and the role of public media in local communities.

Chair Ramer called for a break at 10 am Eastern Time.

Executive Session

At 10:15 a.m. Eastern Time the meeting resumed in executive session.

[The minutes for these discussions are contained in the executive session record of March 18-19, 2019.]

Public Session

Public session resumed at 11:15 a.m. Eastern Time.

Future Agenda Items

Chair Ramer invited board members to send suggestions for agenda items to Ms. Safon, Ms. Cahill or himself.

Adjournment

The meeting adjourned at 11:16 a.m. Eastern Time.